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THE HOUSE COMMITTEE
ON APPROPRIATIONS

NATURAL RESOURCES CONSERVATION SERVICE
Statement of James R. Lyons, Under Secretary for Natural Resources and Environment
Before the House Appropriations Subcommittee on Agriculture,
Rural Development, Food and Drug Administration and Related Agencies.

Mr. Chairman, Members of the Committee. It is my pleasure to outline for you the fiscal year 1998 budget request for the Department of Agriculture's Natural Resources Conservation Service (NRCS).

In the past month, Secretary of Agriculture Dan Glickman conveyed to each of you and all other members of Congress a copy of a new publication from NRCS. This publication, *America's Private Land, A Geography of Hope*, articulates a new view of private land in America, most of which is in an agricultural use, and what we might refer to as our "working land." As the introduction of the publication suggests, people's relationship to the land has changed. Few Americans now live and work on farms and ranches. Most of us live in cities and suburbs. But what happens on our private land remains crucial to our economic and environmental well-being. We are reminded of our connection to the land every time we buy a loaf of bread, turn on the tap for a drink of water, or admire a flock of ducks or geese heading south in the fall.

Seventy-percent of the land in the United States, exclusive of Alaska, is held in private ownership. About half of this land--907 million acres--is cropland, pasture, and rangeland. The stewardship of these particular acres lies in the hands of fewer than 5 million individuals, which means the care of 50 percent of our land is in the hands of less than 2 percent of our citizens.

We rely on these fellow citizens and neighbors to produce the food and fiber we need, which they do exceedingly well. Our food prices remain the lowest in the industrialized world, and our agricultural industry contributes significantly to export revenues. But these farmers and ranchers, through their care of private land, produce much more than food and fiber. The products of their land also include safe drinking water, healthy soil, clean-flowing streams, valuable wildlife habitat, and scenic landscapes. We don't buy these commodities in the supermarket, and their prices are not listed on the Chicago Board of Trade, but most Americans value them just the same.

Realizing the importance of protecting private land and private landowners, our nation's policy-makers have made significant commitments over the years to conservation. Those commitments began in the 1930s in response to the devastating Dust Bowl. Today, in spite of important conservation gains over the past decade in particular, soil erosion remains a threat on 1 in 3 acres of cropland, water quality and supply problems confront many communities, and we have grown increasingly concerned about the loss of wildlife habitat and the conservation of biodiversity.

Fortunately, we have a number of new, voluntary, incentive-driven tools in the 1996 farm bill that should allow us to extend the important conservation gains of the past decade. To do so, however, will require a continued, if not renewed, commitment to private land and private landowners. We cannot afford to tell landowners that stewardship is their concern alone. Stewardship involves a shared responsibility between public and private interests alike.

The following budget request, therefore, strives for a balance in spending that will provide farmers and ranchers with sufficient financial incentives for conservation work, including targeted land retirement, while ensuring that sufficient resources are made

available to USDA and NRCS for conservation operations generally and technical assistance in particular. A budget of this magnitude will allow us to continue to work cooperatively with state conservation agencies, local conservation districts, and our agency's many other public and private-sector partners in assuring an adequate measure of conservation on our Nation's working land.

The following table shows the major items in this year's budget request and contrasts them with the comparable figures from the two prior fiscal years.

Appropriation (In thousands of dollars)	FY 1996	FY 1997	FY 1998
CONSERVATION OPERATIONS	$629,794	$619,961	$722,268
WETLANDS RESERVE PROGRAM	$ 77,000	$0	$0
WATERSHED AND FLOOD PREVENTION OPERATIONS	$180,514	$164,036	$ 40,000
RESOURCE CONSERVATION & DEVELOPMENT	$ 29,000	$ 29,377	$ 47,700
WATERSHED SURVEY AND PLANNING	$ 14,000	$ 12,381	$0
COLORADO RIVER BASIN SALINITY CONTROL PROGRAM	$ 2,681	$0	$0
FORESTRY INCENTIVES PROGRAM	$ 6,625	$ 6,325	$ 6,325
OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS	N/A	$ 5,500*	$ 5,000

NOTE: *Includes $4.5 million allotment from the Fund for Rural America.

Now, let me describe how NRCS differs from other federal agencies and summarize for you the agency's role. I will also outline the major programs NRCS administers and describes not only some of the things we have achieved with the help of our partners at state and local levels, but also some of what have planned.

STRATEGIC ASSETS OF THE NATURAL RESOURCES CONSERVATION SERVICE

NRCS provides natural resources conservation assistance primarily on private lands. More than 70 percent of the land in the contiguous United States is privately owned, including virtually all of the Nation's agricultural lands. It is on the private lands where millions of individual decisions are made by farmers and ranchers, that the ultimate success of the majority of our natural resource efforts will succeed or fail in helping meet the twin goals of productive agriculture and an economically and environmentally sustainable future.

NRCS is the only Federal agency whose major purpose is to provide consistent technical assistance to private landusers across the country. The agency's focus is on helping landowners and users achieve natural resource and environmental goals while maintaining productive and profitable operations and economically viable rural communities. NRCS has had some significant successes in the past, and the structure is designed to continue that success in the future. Let me describe some of the agency's assets in light of the implementation of the USDA Reorganization Act of 1994, including the Department's Field Office Streamlining efforts.

• *Delivery system.* NRCS has a nationwide network of professionally staffed local offices that provide conservation technical assistance to owners and users of privately-owned land. This nationwide delivery system is based on a partnership that combines a

federal natural resource presence at the local level with locally sponsored and controlled conservation districts and their employees. This conservation infrastructure is interwoven and interconnected at the local, State, and Federal levels with complex relationships and program support systems that are interdependent. Local service will be continued, but with the reorganization and consolidation of field offices, this operation will be more efficient and enable our field staff to provide the kind of site-specific technical assistance individual private landowners need and want.

• *Technical skills.* NRCS' natural resource specialists are trained to deliver technological support to groups and individuals quickly, efficiently, and consistently nationwide. By regionalizing NRCS, our technical staff will be able to apply their knowledge of soil science, engineering, landscape architecture, agronomy, biology, range management, economics, geology, and other fields with a much greater degree of sensitivity to local conditions. NRCS field offices and staff working in partnership with the local conservation districts are used as a primary source of help by local people -- and often by people administering programs for other Federal, State, and local agencies. About 9,000 staff are located at these offices.

• *Technical excellence.* Throughout government and private industry, NRCS specifications for soil and water conservation practices *are* the national standard. In addition, the agency is the leader in soil classification and soil mapping. Recently, in recognition of the vital importance of soil quality, NRCS has made a commitment to better understand and emphasize the fundamental role of soil quality.

• *Natural resource planning experience.* NRCS has vast experience in broad-scale planning in watersheds and other areas and site-specific planning on farms and ranches to address natural resource concerns. Effective natural resource planning in the future will

require this type of planning process to develop effective solutions that meet the needs for a sustainable land and its people. NRCS is now serving as a catalyst by providing coordination to bring local people together with skilled technical people to develop and implement meaningful solutions. These planning efforts are provided through the Watershed Survey and Planning Program, the Resource Conservation and Development (RC&D) Program, and Coordinated Resource planning provided through Conservation Operations.

• *Partnerships and volunteerism*. Since its creation, NRCS has operated through voluntary cooperative arrangements with individuals, the private sector, and Federal, State, and local governments. The value of NRCS technical assistance is recognized by local and State partners; equally, we recognize the invaluable contribution of volunteers, who contribute immeasurably to conservation efforts. Americans from all walks of life have freely and generously given of their time to the volunteer arm of NRCS, known as the Earth Team. In fact, in FY 1996, some 14,748 NRCS Earth Team volunteers donated 530,854 hours to conservation efforts. As calculated by the Points of Light Foundation, this equates to an additional $6,400,000 in direct assistance to private landowners and national resource protection.

• *Local people as decision-makers.* When NRCS delivers conservation and program assistance, the agency works under cooperative agreements with some 3,000 conservation districts that are established under state law. About 17,000 local conservation district supervisors provide the agency with invaluable guidance. The NRCS cooperative team structure is an established and practical example of how Federal programs can be managed with local guidance at the local level. It is crucial to remember that the agency's approach is a voluntary one. Our professionals provide options for problem-solving --

developed in conjunction with customers, but it is the customers who make the final decisions.

• *Leverage.* State and local governments contribute substantially, with both people and dollars complementing NRCS technical assistance. In FY 1997, State and local governments spent over $500 million on conservation -- a considerable increase from the $247 million spent a decade ago. Without NRCS technical assistance, which greatly enhances the value of State and local efforts, these funds almost certainly would not have been spent on natural resource protection. In a sense, this cooperation constitutes a two-way leveraging: State and local programs and NRCS benefit from each other's involvement.

USDA REORGANIZATION

A major goal of this Administration has been to "reinvent government" so it works better and costs less, cutting waste and reducing bureaucracy. The National Performance Review (NPR) process, challenging all areas of the Federal Government to do a comprehensive bottom-up review of operations, resulted in innovative and creative ideas on how we ourselves could make necessary and appropriate improvements in the way our agencies do business. Taking these good ideas and incorporating additional improvements, Congress authorized USDA reorganization in the "Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994". With this action, NRCS was given the green light to develop an implementation plan for these exciting new ideas.

In December of 1994, after extensive public input, NRCS unveiled its far reaching reinvention plan which is targeted for full implementation by 1999. In addition to the field office closings and consolidations previously announced by former Secretary Espy, the plan called for major restructuring above the field office level. The proportion of NRCS staff at the field office level will increase from the current 70 percent to 80 percent; operational functions are being delegated to the lowest level possible; headquarters operations are being reduced by over 50 percent; science and technology will be focused on areas important to our mission through the establishment of more than six NRCS Institutes which will improve our capabilities in areas such as grazing lands, natural resource inventory, wetland science, social science, watershed science, and soil quality; the ability of NRCS to address multi-state natural resource and program delivery issues is being improved through the establishment of regional offices; technical support functions are remaining strong and becoming better focused by being moved closer to where programs are carried out; and administrative and other support activities are being thoroughly reviewed for continued improvement in efficiency and better focused to support a modernized agency.

By October 1, 1995, all areas of the NRCS reorganization plan were in full implementation. This included all agency personnel knowing their new role, Regional Conservationists in place and operational, technical functions reassigned closer to the field, and the transfer of programs such as the Wetlands Reserve Program and Forestry Incentives Program completed, as provided in the 1994 Act. Further, NRCS field office streamlining efforts were fully under way with the Department, as we begin the multi-year process of moving from the historical field offices to field service centers.

This has not been an easy process, especially from the standpoint of the agency's most important resource -- our employees. I am pleased we have been able to use the tools

necessary, including authorities from Congress, to meet our goals without overly impacting our employees and their careers. I am indeed proud of how NRCS employees have embraced this change and have committed to seeing this reorganization completed -- successfully. However, any change this massive cannot be without its' bumps and mistakes.

We have learned a lot from the reorganization process as well, and have made further needed adjustments as identified. On January 30, 1997, further adjustments of the NRCS National Headquarters structure were approved by the Department. The changes are the result of recommendations and appraisals made one year after the agency-wide reorganization and from recommendations of our strategic planning and reports. Our new headquarters structure includes an increased emphasis on strategic planning and soil and natural resource assessment. Reflected in this, are a new Deputy Chief for Soil Survey and Resource Assessment and several realigned Divisions. We are encouraged by the results of the agency-wide reorganization and are equally optimistic that our present adjustments will render the agency better equipped than ever to tackle the mission ahead.

Now I will describe our programs and plans for FY 1998.

PROGRAM EFFECTS AND THE FY 1998 BUDGET REQUEST

Many programs provided by NRCS are a catalyst for local investment and as a result, enhance local economic activities. Other programs provide services that are voluntary in nature, and not available or provided by other government or private entities. These programs and activities are an essential component of the conservation fabric of the Nation. I will briefly highlight several for you.

CONSERVATION OPERATIONS is the foundation for most of the agency's activities. These activities are carried out through the conservation infrastructure, a complex array of local, State, and Federal agencies and organizations and local people working together for natural resource protection. The relationships are complex and NRCS is an integral part of these local, State, and Federal interdependent program support systems. Many grassroots programs and initiatives are funded by conservation operations. Several are described below.

• *Conservation Technical Assistance* is the cornerstone for most agency activities. The FY 1996 appropriations were $538,904,000; and the FY 1997 comparable appropriations are $528,892,000, and the FY 1998 budget request is $549,241,000. As stated previously, this difference over FY 1997 is due in large part to uncontrollable costs from inflation and pay costs, and costs to relocate NRCS operations to the USDA Service Centers, and the increased program responsibilities associated with implementation of the conservation programs of the Federal Agricultural Reform and Improvement Act of 1996 (1996 Act). During 1998, the Natural Resources Conservation Service will continue to provide technical assistance on prior year projects as needed for the Colorado River Basin salinity Control Program and ongoing activities of the Great Plains Conservation Program.

Conservation technical assistance provides assistance to private land users, communities, units of State and local government, and other Federal agencies for planning and implementing solutions to natural resource problems. This technical assistance is the cornerstone for locally-led conservation efforts that are conducted in partnership with state, local, and tribal governments, including conservation districts; private groups of farmers and ranchers; and environmental groups. In the past decade, major strides have been made in reducing erosion; improving soil and water quantity and quality, air quality, pasture and range conditions; improving and conserving wetlands and woodlands; enhancing fish and

wildlife habitat; and reducing upstream flooding. This assistance is based on voluntary local landowner cooperation and recognizes the value of educational, technical, and financial assistance. These principles apply as we are responding to individual needs, local goals, and to nationally determined priorities. Still, more remains to be done. Also, because neither agriculture nor the environment is static, and both are constantly changing, the agencies and programs need also to be constantly evolving.

During fiscal year 1996, NRCS assisted approximately 814,000 private landowners in preparing conservation plans and implementing conservation systems , as well as providing assistance to units of government in developing area wide conservation plans and goals. This resulted in conservation treatment on over 100 million acres of land, including cropland, rangeland, pastureland, woodland, and other land.

• *Urban Conservation* is an additional area for which we are particularly proud. It is an area for which I have taken particular interest and believe that we are making significant gains. While, much of my remarks have focused upon rural land to this point, it is the mission of NRCS to provide assistance to all of our nation's private land including urban, and suburban communities. Four years ago, the Department of Agriculture initiated an *Urban Resources Partnership (URP)* . This is an effort which NRCS is co-leading to provide conservation assistance to the communities that need it most--urban and urbanizing areas. We are proud to report that over 4,000 non-profit and community-based organizations receive financial support and technical educational assistance from URP. Communities are responding with enthusiasm and have matched federal financial assistance with over fifty percent matches. We have eight major metropolitan cities under the program including New York City, Chicago, and Los Angeles. In these pilot cities, NRCS field staff provide assistance in a diverse range of projects from community gardening and

forestry, to education of youth about soil science and the urban watersheds in their community.

But our work in this area only begins here. NRCS employees support numerous urban pilot cities and provide agency expertise on urban resource concerns. As many of you know, the nation's most productive farmland is located in our near urbanizing areas. NRCS staff address issues of "farming on the fringe" and help mitigate some of the difficult concerns that arise when agrarian and community interests are at odds. Through the Land Evaluation and Site Assessment system, NRCS staff provide advice to local government officials on land-use and zoning decisions. In addition, we provide planning support to landowners to remediate air and water quality concerns of their neighboring community. These services are all provided as part of the conservation technical assistance available to everyone.

• *Highly Erodible Land Conservation (HELC).* Since 1985, the Agency has devoted a significant portion of its technical assistance resources to helping farmers and ranchers meet the highly erodible land conservation provisions. With NRCS technical assistance, more than 1.7 million plans have been prepared covering about 142 million acres of highly erodible land, and 95 percent of those plans were implemented by the mandated deadline of December 31, 1994. Between 1985 and 1995, technical assistance was provided to an average of over a million decision-making land owners and users each year; one result is that soil erosion has been reduced by over a billion tons annually. By the end of FY1995, all the highly erodible plans were installed. The 1996 Act provided amendments that have reduced the burden of complying with the HELC provisions and have provided USDA with additional tools to use in working with producers. However, all producers who receive USDA program benefits must be fully applying a conservation

plan on highly erodible land. Therefore NRCS assists producers in developing plans for land that they acquire and in making changes in their current plans so that their plan may reflect changes in cropping systems, weather conditions, and economic incentives. Our experience has shown that approximately 20 percent of producers will change their conservation systems each year. This figure may be slightly higher in the next few years as producers begin to respond to market signals as a result of the Agricultural Market Transition Act Program (AMTA). The 1997 enrollment in AMTA generated requests to NRCS for 137,234 highly erodible land determination on fields, 79,225 new conservation plans, and revisions on 146,239 conservation plans.

Preliminary 1996 Status Review data show that approximately 48 percent of farmers have conservation systems that are at sustainable levels of soil loss or levels that allow soil to be created at a faster rate than it is lost. With the amendments provided by the 1996 Act, NRCS will be ensuring that new conservation systems provided to farmers and ranchers result in a substantial reduction in soil erosion.

• *Wetland determinations and certifications.* On January 6, 1994, four Federal agencies with wetland protection responsibilities signed an historic Memorandum of Agreement recognizing NRCS as the lead Federal agency for wetland determinations on agricultural lands. Farmers now turn to NRCS for determinations that identify the extent of wetlands under both the swampbuster provisions of the Food Security Act of 1985 and Section 404 of the Clean Water Act. This new responsibility brought increased commitment of staff resources to provide prompt, accurate, and effective service to our Nation's agricultural land owners and users.

Both the 1990 and 1996 Farm Bills called for the Secretary to "certify whether a map is sufficient for the purpose of making a determination of ineligibility for program benefits." This was interpreted to mean the review and certification of previously made wetland determinations. In 1991, the certification process was put on hold because of dialogue surrounding which version of the Corps of Engineers delineation manual was appropriate. Because of this debate, Congress commissioned the National Academy of Sciences to do a study and determine the appropriate definition of a wetland. In 1994, the National Academy of Sciences completed it's work and affirmed the 1987 version best identified wetlands.

However, in April of 1995, the Secretary decided it was necessary to suspend all wetland determinations unless specifically requested by the client, or when a potential violation occurs. This decision resulted from the prospect of legislative changes in the Food Security Act of 1985 (1985 Act). The legislative changes to the 1985 Act generally reduced the cumbersome elements of compliance, while protecting wetland functions and values. The Food Security Act also provided that certified wetland delineation's will remain in effect until such time as the landscape is changed by natural events. All current determinations are frozen and the process of providing wholesale wetland resource information to customers is on hold, unless a determination is specifically requested. Landowners have continued to request a number of certified wetland determinations and these requests are expected to increase as these issues continue to play themselves out in Congress. The enrollment in Agriculture Market Transition Act (AMTA) generated requests to NRCS for approximately 25,417 wetland determinations.

The 1996 Act also required the Secretary to permit persons to secure technical assistance from approved sources, in addition to those services available through the NRCS. Other sources were not previously restricted; however, language in the 1996 Act now implies that a certification for measurement of crop residues and an approval process for conservation planning and implementation process are required. State Conservationists, in consultation with the State Technical Committee, are establishing methodologies for third parties to use to measure crop residue. NRCS and others will hold training sessions for interested persons in accordance with guidance. Upon completion of training, and after all requirements are met, third parties will be deemed "certified." Producers may participate in training, but training is not required

Certification or approval status only reflects that person(s) or groups have presented written assurances that they possess technical qualifications. Neither NRCS nor USDA will warrant or guarantee the quality of work done by third party providers of technical assistance. NRCS is, also, working with certification registries and associations to ensure that certification programs for approval of commercial sources of services reflect skill levels necessary to meet technical assistance needed.

• *Grazing Land Conservation Initiative (GLCI).* This grassroots-driven initiative has helped NRCS better define the resource needs and benefits generated when grazing lands are improved. NRCS has been requested by this group to continue technical assistance to livestock producers on private grazing lands. Grazing lands include rangelands, pasture, hayland, and grazed forestlands. The latest 1992 National Resources Inventory (NRI), shows that grazing lands -- mostly rangeland and pasture -- represent 642 million acres, or almost half of the non-Federal lands in the United States.

The NRI analysis of range vegetation shows that over 15 percent of non-Federal rangelands are in poor condition; over 44 percent are in fair condition; 34 percent in good condition; and only 6 percent in excellent condition. The NRI indicates that 75 percent -- nearly 299 million acres -- of non-Federal rangelands need conservation treatment. Properly managed grazing land represents a renewable resource for producing food and fiber. Vegetative cover on well-managed grazing lands contributes to: 1) increased water quality and quantity; 2) improved wildlife habitat; 3) reduced soil erosion and sedimentation; and 4) improved riparian areas. Conservation Operations will continue to support technical assistance for these unmet conservation needs and will provide additional assistance within current funding levels as the field level workload permits. In FY1997, NRCS was able to provide enough resources to this initiative to ensure each of the 50 states has access to a Grazing Land Conservation Coordinator. This will enable us to provide multi-resource technical assistance to support grazing lands conservation and water quality improvement on rangelands and begin the process of rebuilding the agency's expertise in rangeland conservation, a capability demanded by our customers.

• *Service Center Implementation* , a customer-oriented initiative within USDA, will continue in 1997 within currently budgeted funding levels. It will improve delivery of services in USDA field-delivery programs through improved business process reengineering (BPR) and information systems integration. Service Center Implementation will coordinate planning, acquisition, development, implementation, and management of information technology resources. Service Center Implementation will benefit the agency and customer partnerships by: 1) providing one-stop shopping to multi-agency programs; 2) significantly reducing paperwork required of customers and employees; 3) facilitating data sharing; and 4) reducing repetitive requests for information.

One of the areas where BPR has resulted in significant positive change in a core NRCS business process is in the design, construction, and implementation of the agency's Field Office Computing System (FOCS). This system, developed by reengineering the natural resource conservation planning model, steps away from the single resource plan used for Food Security Act compliance with its intensive record keeping requirements, and enables a much more holistic, natural resources oriented planning process for protecting and enhancing soil, water, air, plants, and animal resources while preserving agricultural profitability for farmers and ranchers. Literally hundreds of employees, customers, and partners were involved in this five year effort that is now coming to fruition. FOCS and the core conservation planning process it automates will be merged into the concept of the USDA Field Service Center within the Service Center Implementation interagency business and information strategic plan.

• *New technology*. Most of the natural resource information used by NRCS is referenced to a geographic location on the ground, and there is a need to put this data in digital form for more accessible use in a geographic information system (GIS) available at state and field offices. This budget proposed an increase of $10 million to accelerate the purchase of digital orthophotography and data digitization. This will improve customer service by providing more usable and accurate information for use in natural resource planning and decision-making, and for environmental assessments and evaluations. It will also reduce duplicative work done with the same customers in the USDA Service Center. Currently, about 200 NRCS field offices are using GIS. We are embarking on an important review of the information NRCS collects to assure that it meets the real resource information needs of farmers and ranchers. As part of this effort, we also are working on improving interagency cooperation, and the ways in which we share and display natural resource, economic, and other data so they conform to the national GIS database standards.

Increasing the availability of such data is necessary for USDA reorganization and reinvention at the field level.

Under the 1977 Resources Conservation Act (RCA), USDA, through NRCS, with the assistance of nine other Federal agencies, conducts and analyzes ongoing comprehensive inventories and assessments of the status, condition, and trends of America's natural resources on all non-Federal lands. This information is used by USDA, other Federal agencies, State and local governments, and other organizations to support agriculture and conservation policy development and program evaluation. NRCS is working to assure the RCA Appraisal addresses the distinct characteristics of the regions of the country. The agency also will be developing, in the next 18 to 24 months, the third National Conservation Program, also called for under the RCA.

• *USDA Centers of Excellence initiative.* USDA will continue to work in partnership with the 1890 Land Grant Institutions and Tuskegee University, to develop low cost conservation systems to improve water quality and reduce erosion. USDA is establishing Centers of Excellence at the 1890 schools. NRCS and the 1890 Institutions have a history of cooperative ventures that have provided knowledge and skills necessary to strengthen and broaden the application of technologies to the limited resource and socially disadvantaged farmers they serve. It is economical and efficient to support the Centers of Excellence with the universities than developing that capacity within USDA. The focus of the proposal is to develop and evaluate sustainable ecosystems that would improve and protect water quality and quantity. NRCS will continue the current level of support for this initiative.

• *Assistance to American Indians, Native Alaskans and Pacific Islanders.* Many of the more than 310 reservations covering more than 50 million acres in the 48 contiguous states, four areas of trust land, 12 Alaska Native Regional Corporations and 217 Alaska Native Villages have been requesting technical assistance. We estimate receiving 150 requests to establish tribal land field offices each year. Staff in those offices provide basic technical assistance for resource problem identification and conservation planning and application. NRCS plans to provide technical assistance and capacity-building assistance needed on a full-time basis on Indian lands that have significant natural resource problems, within the current funding level as workload in the field permits. This assistance will begin the process of developing local capacity in natural resources management by establishing an internship/self reliance program similar to the one in operation at the Wind River Reservation in Wyoming. Tribal employees will be trained through on-the-job and educational experiences as a conservation workforce on Indian lands. No additional funds are requested for this activity for FY 1998, but additional assistance will be provided to this high priority activity to the extent possible within requested funding levels.

• *Snow survey and water supply forecasts* provide western states and Alaska with vital information on summer water supplies. The FY 1996 appropriations were $5,852,000; the FY 1997 appropriations are $5,835,000; and the FY 1998 budget request is $5,888,000. NRCS field staffs provide necessary leadership, standardization of procedures, and automation to a partnership of Federal, State, and local personnel to collect snow-pack data from more than 1,200 remote high mountain sites. Data are collected with many partners, including Conservation Districts, Bureau of Indian Affairs, Bureau of Land Management, Forest Service, the National Weather Service, Army Corps of Engineers, Bonneville Power Administration, and many State and local entities both public and private. After compiling and analyzing the data, NRCS is able to provide snowpack estimates and water yield on a monthly basis throughout the snow melting period. The

knowledge gained through this effort supports critical decisions on billions of dollars of agricultural production, municipal water supply, hydroelectric and industrial water supply, flood control, and water flow requirements for fish and wildlife. This modest program contributes substantially to the economic and environmental well-being of a very large part of the country.

• *Soil Surveys* provide the public with local information on the uses and capabilities of their soil resources. The FY 1996 appropriations were $76,163,000; the FY 1997 appropriations are $76,409,000; and the FY 1998 budget request is $82,248,000. Soil surveys are based on scientific analysis and classification of soils and are used to determine land capabilities and conservation treatment needs. The published soil survey for a county or designated area includes maps and interpretations with explanatory information that is the foundation of resource policy, planning and decision-making for Federal, State, county, and local community programs. Homeowners and landowners also use soil survey information when making decisions. Soil surveys are conducted cooperatively with other Federal agencies, land grant universities, State agencies, and local units of government, many of whom contribute funds and staff.

Soils information has been gathered over many years and is primarily contained in published soil survey manuscripts and maps. There is a need for digital soils data for use in geographic information systems (GIS). NRCS has the leadership role for coordinating the development, maintenance, and distribution of a modernized digital soils data base. Geographically referenced digitized soil survey data, along with orthophotography will provide the accurate reference base needed for computer-assisted conservation, natural resource planning, and for geographic referenced data sharing. In addition, digitizing the soil surveys provides efficiency when updating and maintaining the soil survey data. This

budget contains $5 million to support the updating of older soils information to current standards for digitization of soil surveys and the formation of a national database.

• *Plant Material Centers* assemble and test plant propagation and the usefulness of plant species for biomass production, carbon sequestration, erosion reduction, wetland restoration, water quality improvement, stream bank and riparian area protection, coastal dune stabilization, and to meet other special conservation treatment needs. The FY 1996 appropriations were $8,875,000; the FY 1997 appropriations are $8,825,000; and the FY 1998 budget request is $8,891,000. Plant materials represent inexpensive, long-term conservation solutions to many environmental and natural resource problems and their maintenance costs are usually low. Many landowners and managers willingly use plant materials, if available, to meet their conservation needs.

The work at the 26 centers is carried out cooperatively with State and other Federal agencies, commercial businesses, and seed and nursery associations. Plant Materials Centers play an important research and development roles since most commercial nurseries will not develop new plant materials due to limited markets, but will grow and market the stock once a dependable plant has been developed. After species are proven, they are released to the private sector for commercial production.

•*Watershed and Flood Prevention Operations* is the first and only national program that helps local organizations plan and install watershed-based projects on private lands. It provides site-specific technical expertise and locally based watershed planning and financial assistance for plan implementation. The Watershed Program provides a process to solve local natural resource problems and avoid excessive regulation. The FY 1996 appropriations for PL-534 and PL-566 were $180,514,000; the FY 1997 appropriations are $164,036,000; and the FY 1998 budget request is $40,000,000 plus $60,000,000 in

Conservation Operation for technical assistance. Therefore, the total funding this budget requests is $100,000,000. The authorized purposes of watershed projects include watershed protection, flood prevention, water quality improvements, soil erosion reduction, rural, municipal and industrial water supply, irrigation water management, sedimentation control, fish and wildlife habitat enhancement, wetland creation and restoration, and public recreation. The program empowers local people as decision-makers, builds partnerships and requires local and State funding contributions and ownership.

The program has been subject to what we view as legitimate criticisms in recent years. However, we do not agree with those who would attempt to end the program. While I agree fundamentally with those who have criticized the historical use of large dams, reservoirs, and channelization to achieve flood management as destructive to many natural processes and functions in treated watersheds, I do not believe the program as currently administered should be scrapped. Judicious use of physical works to protect and manage watersheds can be constructive -- both to natural systems and for protecting farm land from serious harm. For instance, the 1994 Galloway report on floodplain management shows that during the 1993 Midwest Flood, the Small Watershed Program was credited with avoiding $400 million of damages to population centers, agriculture, and industry. USDA farm program disaster payments were significantly less in watersheds that had been treated with conservation measures through this program. This was also the case with Tropical Storm Alberto in parts of Florida, Alabama, and Georgia. Any project approved by the program for flood prevention will yield very high benefit/cost results.

The agency administers this program by authorizing local sponsoring organizations to begin the development of a plan. In FY 1994 through FY 1996, of the planning starts authorized, most were requested primarily to improve water quality from agricultural

sources and to benefit fish and wildlife habitat. The remainder identified water quality as secondary purposes. Proposed project actions include agricultural waste management, nutrient and pesticide management, and other land treatment measures. An example is in Alaska where the first watershed project authorized under this program is improving water quality to protect critical salmon spawning habitat. This project is important because it protects salmon as a subsistence food source for Alaskan Natives and for the fishing industry on the coast.

Early in fiscal year 1995, the agency completed a Phase I review of authorized projects. With the agreement of everyone involved, including project sponsors, more than 500 dams and 1,800 miles of stream channel modifications were deleted and many other projects had previously planned measures replaced with more up to date and environmentally sound measures for watershed restoration. We are currently completing Phase II of this review during which the remaining projects are being given a more rigorous review, using the team approach, at the local level. This second phase review has, to date, deleted an additional 135 dams and 930 miles of stream channel. This brings the total to 635 dams and 2,730 miles of stream channel modification removed from current watershed plans, while maintaining the overall goals of those plans. It is important to note as well, that the process has identified and appropriately closed out 76 projects with additional projects being review for closing with the local sponsors.

The agency has undertaken a comprehensive effort to reevaluate the program and is in the process of refocusing it to approach watersheds in a more comprehensive, ecosystem-based fashion, involving all local people with a stake in the outcome, in the broad range of land use and conservation issues. Priority will be given to watersheds where local people have identified the need for natural resource restoration, water quality improvement, restoration of fish and wildlife habitat, flood damage reduction emphasizing

non-structural measures, and where local sponsor support is strong. Watersheds located in agricultural and rural community settings with low-income and socially disadvantaged farmers, as well as those serving Native Americans also will receive priority. NRCS will ensure that assistance to local leaders through the Small Watershed Program is supported by appropriate Federal partnerships, is compatible with national natural resource issues and complements State and local priorities. The 1998 budget proposal would provide no additional funds for flood prevention work under the authority of P.L. 534, but would continue work on the remaining high priority projects that would qualify for assistance under the authority of the Small Watershed Program (P.L. 566). Additionally, technical assistance for these program activities would be combined (along with Watershed Surveys and Planning) into a single new line item for water resources assistance requested under the Conservation Operation appropriation.

• *The Emergency Watershed Protection (EWP)* program provides assistance to reduce hazards to life and property in watersheds damaged by severe natural events. An emergency is considered to exist when floods, fires, droughts, or other natural disasters result in life and property being endangered by flooding, erosion, or sediment discharge. In the latter part of 1995, October through December, $98,800,000 was used for emergency work, with the last $35,500,000 originating in previously appropriated supplemental funds. EWP was utilized during the Midwest Floods in 1993, western wildfires, and Tropical Storm Alberto in 1994, and floods in California and the Southeast in 1995. In FY 1996, an $80,514,000 supplemental appropriations was appropriated to repair damages to waterways and watersheds resulting from flooding in the Pacific Northwest, the Northeast blizzards and floods and other natural disasters. An additional $63,000,000 was provided for FY 1997 to repair damages from Hurricanes Hortense and Fran.

During the past eight years, the program has been needed and used in an average of 26 states per year. Technical and financial assistance under the EWP program is available for small-scale, localized disasters not necessarily declared as national in scope. Among the emergency activities, generally performed with temporarily employed local labor, are disaster cleanup and subsequent rebuilding; restoring stream corridors, wetland and riparian areas; establishing quick vegetative cover on denuded land, steep land, and eroding banks; opening dangerously restricted channels; repairing diversions and levees, and assisting the Federal Emergency Management Agency when it plans and relocates communities away from floodplains.

•*Resource Conservation and Development (RC&D)* is a program initiated and directed at the local level by volunteers. The FY 1996 appropriations were $29,000,000; the FY 1997 appropriations are $29,377,000; and the FY 1998 budget request is $47,700,000. The increase over the FY 1997 appropriations will fund pay costs and local, non-Federal watershed and rangeland coordinators to assist in watershed planning and rangeland conservation.

Each RC&D area encompasses multiple communities, various units of government, municipalities, and grassroots organizations. The RC&D's represent an unusual approach for helping citizens address multi-jurisdictional natural resource and community development issues. NRCS provides coordination to the program which serves as a catalyst for these civic oriented groups to share knowledge and resources, and it leverages public and private funds to solve common problems -- including economic development -- in a given area. Assistance is obtained from the private sector, corporations, foundations, and all levels of government. Historically, every dollar of NRCS technical and financial assistance from this program and applied directly to local projects, has been matched by about $13 from other sources. In FY 1996, RC&D areas completed 2,342 projects and

Council members and other volunteers donated 716,184 hours of time to these completed projects. There are currently 290 authorized RC&D areas involving 2,143 counties across the country. In addition, an increase of $18 million is requested to fund local, non-Federal watershed coordinators to assist in rangeland and watershed planning for a wide range of environmental purposes such as the salmon recovery efforts on the Pacific Northwest.

• *Forestry Incentives Program*. This program is authorized under the Cooperative Forestry Assistance Act of 1978, as amended by section 1214 of the Food, Agriculture, Conservation and Trade Act (FACT) of 1990. The Forestry Incentives Program was re-authorized under the 1996 Act, which extended the program through the year 2002. Authorizing legislation for FIP expired on December 31, 1995.

The FIP primary objective is to increase the Nation's supply of timber products from private non-industrial forest lands. The program encourages landowners to plant trees on suitable open lands or cut-over areas, and to perform timber stand improvements for the production of timber and other related forest resources. The program is carried out through annual and long-term cost sharing agreements with private landowners who improve a stand of forest tress or plant trees.

The FY 1998 budget will provide cost-share funding at the FY 1997 appropriated level of $6.325 million. Program technical assistance will be provided by the Forest Service (FS). Forestry studies have indicated that over 30 percent of all tree planting on non-industrial, private lands is accomplished through FIP.

• *Outreach to Socially Disadvantaged Farmers and Ranchers*. The budget proposes to continue this program at $5,000,000. There was a direct appropriation of $1 million and a transfer of $4.5 million from the Fund for Rural America to this program in FY 1997. The overall goal of the program is to increase service to small or limited resource and minority producers in order to improve the farm income of these producers. Objectives are to make grants and enter into agreements with community-based organizations and educational institutions to provide outreach and technical assistance. The Outreach to Socially Disadvantaged Farmers and Ranchers program was transferred from the Farm Service Agency to NRCS in October 1996.

COMMODITY CREDIT CORPORATIONS PROGRAMS. NRCS also administers, on behalf of the Commodity Credit Corporation (CCC), several cost-share programs, key among these being the programs set forth in the Federal Agriculture Reform and Improvement Act of 1996 (1996 Act) and also provides technical assistance to individuals and groups participating in the Conservation Reserve Program, which is administered by the Farm Service Agency. The new conservation programs provided by the 1996 Act, which NRCS administers on behalf of CCC, includes the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentives Program (WHIP), Farmland Protection Program (FPP), and Conservation Farm Option (CFO). The 1996 Act also amended the Food Security Act of 1985, to the continued implementation of the Wetlands Reserve Program (WRP) which NRCS administers on behalf of CCC.

The *Environmental Quality Incentives Program (EQIP*) provides in a single, voluntary program, flexible technical, financial, and educational assistance to farmers and ranchers who face serious threats to soil, water, and related natural resources on

agricultural land and other land, including grazing lands, wetlands, forestland, and wildlife habitat. Assistance will be provided in a manner that maximizes environmental benefits per dollar expended, to help producers comply with Title XII of the Food Security Act of 1985, as amended, and Federal and State environmental laws

Funds of the CCC will be used to fund the assistance provided under EQIP. The program was funded at $130 million in fiscal year 1996, of which program authorities for the ACP were used to obligate $99 million and the program authorities of the GPCP and CRBSCP were used to obligate $31 million. For fiscal year 1997, $200 million has been apportioned to implement the EQIP. Of that amount 10 percent was apportioned by the Office of Management and Budget to pay the cost of assisting producers in developing conservation plans, engineering conservation systems, and following-up to successfully apply the systems called for in the EQIP contract. Fifty percent of the funding available for the program will be targeted at practices relating to livestock production.

The program will primarily be available in priority conservation areas throughout the Nation. The priority areas will be watersheds, regions, or areas of special environmental sensitivity or having significant soil, water, or related natural resource concerns. For Fiscal Year 1997, 65 percent of the EQIP financial assistance funding will be provided within priority areas. The process for selecting these priority areas begins with the local conservation districts convening local work groups, which are a partnership of the conservation district, NRCS, Farm Service Agency, Farm Service Agency county committees, Cooperative Extension Service, and other state, local, and tribal entities with an interest in natural resources conservation. They develop proposals for priority areas, develop ranking criteria to be used to prioritize producer's applications for EQIP, make program policy recommendations, and other related activities. The priority areas recommended to NRCS by the local work group are submitted to the NRCS State

Conservationist, who with the advice of the State Technical Committee and concurrence of Farm Services Agency, sets priorities for the program, including approval of priority areas.

State Conservationists, with the advice of the State Technical Committee and concurrence of Farm Services Agency, may also determine that program assistance is needed by producers located outside of funded priority areas that are subject to environmental requirements, or who have other natural resource priority concerns. For Fiscal Year 1997, 35 percent of EQIP financial assistance funding will be provided for these significant statewide concerns.

•*Wetlands Reserve Program (WRP)* is a voluntary incentive program to assist owners of eligible lands to restore and protect wetlands and necessary adjacent upland areas. The 1996 Act re-authorized the WRP and provided for funding through the CCC beginning in FY 1997, extended the duration of the program to 2002, added cost-share agreements, and restructured the contract payment terms and length.

WRP preserves, protects, and restores valuable wetlands mainly on marginal agricultural lands where historic wetlands functions and values have been either totally depleted or substantially diminished. Wetland restoration of such marginal lands provides landowners with a financial alternative to continued attempts to produce agricultural products on such high risk lands. Program delivery is designed to maximize benefits to wildlife, to provide for water quality and flood storage benefits, and to provide for general aesthetic and open space needs. Many of the WRP project sites are within areas that are frequently subjected to flooding and the flood storage being provided will lessen the severity of future flood events. The WRP is making a substantial contribution to the restoration of the nation’s migratory bird habitats, especially for waterfowl.

The WRP is a mandatory program from a budget perspective but is offered to program participants on a strictly voluntary basis. Under the WRP, the Secretary of Agriculture acquires permanent easements and 30-year easements, enters into restoration cost-share agreements/contracts, provides for overhead costs associated with the cost of purchasing an easement or establishing an agreement, develops wetland restoration plans, cost-shares the restoration, and monitors the maintenance of the easements and agreements. Close cooperation with other Federal and State agencies and private conservation entities is an integral aspect of program delivery. The State Conservationist, in cooperation with the State Technical Committee, is responsible for WRP implementation and operations.

FY 1996 was the final appropriation under the old program and provided $77,000,000 to enroll approximately 93,000 acres. The FY 1997 program will provide $106,000,000 in CCC financial assistance funds to enroll approximately 130,000 acres. In FY 1998, we propose to enroll an additional 212,000 acres. Technical assistance funding for FY 1997, and FY 1998 will be funded from FY 1996 unobligated appropriated funds under the old WRP account due to the limitation on CCC reimbursements.

From inception of the program in 1992, through 1996, interest in the program has been exceptional, providing approximately 313,174 acres enrolled in the program through the end of FY 1996, and coupled with the FY 1997 and FY 1998 program sign-ups, approximately 655,174 are expected to be enrolled by the end of FY 1998. Historically there have been more than five fold as many acres offered than the program could enroll. The FY 1997 sign-up is the fourth that has occurred under WRP since FY 1992. Unlike previous sign-ups, the FY 1997 effort provides landowners with the continuous opportunity to seek enrollment in the program. States periodically rank all unfunded offers and seek allocation of funding for the highest ranked offers. By following this process the

maximum opportunity for landowner participation is provided and the WRP is assured of having the best possible list of ranked offers available for funding during the year.

In response to the 1996 Act and FY 1997 Agriculture Appropriations Act, the FY 1997 sign-up is separated into three components: permanent easements, 30-year easements, and cost-share agreements. Enrollment is targeted to achieve a balance, to the extent practicable, of each component. The level of enrollment established for 1997 is 130,000 acres with a requirement that the initial 43,333 acres of easements be limited to 30-year duration. Thus far approximately 46,000 acres of 30-year easements have been enrolled. This enrollment was completed before the enrollment of permanent easements was initiated. The 46,000 acres represents approximately 50 percent of the 30-year easement offers that have been received. Approximately 41,000 acres of permanent easements have been enrolled. This represents approximately 25 percent of the permanent easement offers. Approximately 9,000 acres of restoration cost-share agreements have been enrolled. This represents approximately 90 percent of cost-share agreement offers.

One aspect of the 1997 WRP is the authority provided by the 1997 Appropriations Act to incorporate non-Federal contributions into WRP projects and to augment the 130,000 acre enrollment cap for FY 1997 by an acreage amount equal to the value of such contributions. Thus far approximately $9,000,000 of such non-Federal participation has been identified and should eventually enable us to enroll an additional 11,000 acres. In most instances arrangements are made for the contributors to directly handle the funding aspects of those projects for which they wish to participate so that the Department does not become involved in handling of contributed funds. The primary sources of these contributions are private foundations, non-governmental conservation organizations, State agencies, and landowners.

The *Wildlife Habitat Incentives Program (WHIP*) provides for implementing wildlife habitat practices to develop upland wildlife habitat, wetland wildlife habitat, threatened and endangered species habitat and aquatic habitat. WHIP provides a significant opportunity to restore native habitat, help landowners understand how to best meet their own needs while supporting wildlife habitat development, and to develop new partnerships with State wildlife agencies, nongovernmental agencies and others.

During FY 1997, WHIP implementation plans and ranking criteria have been developed, with advice from the State Technical Committee. We expect to allocate $20 million of the $50 million in CCC funds that were sanctioned for use by Congress through 2002, to reimburse participants for installing these practices during FY 1997. We anticipate accessing $30 million in funds to continue the implementation of WHIP plans during FY 1998.

The *Farmland Protection Program (FPP)* protects prime or unique farmland, lands of State or local importance, and other productive soils from conversion to nonagricultural uses. This program is preserving our valuable farmland for future generations.

During Fiscal Year 1996, the $14.5 million in CCC funds were provided to 17 states, who also provided their own funds, to purchase development rights from farmers and ranchers. That allocation led to the protection of at least 50,000 acres of valuable farmland, on 203 farms in 17 states. Qualifying farmland had to: be part of a pending offer from a state, tribe or local farmland protection program; be privately owned; have a conservation plan; be large enough to sustain agricultural production; be accessible to markets for what the land produces and have adequate infrastructure and agricultural

support services; and have surrounding parcels of land that can support long-term agricultural production.

For Fiscal Year 1997, $2 million was approved by Congress for use from CCC funds to purchase development rights from farmers and ranchers. $18 million will be accessed in FY 1998 to continue the critical process of protecting valuable farmland for the benefit of future generations.

The *Conservation Farm Option (CFO) pilot program* provides producers of wheat, feed grains, cotton, and rice who are enrolled in AMTA one consolidated USDA conservation program payment, in lieu of the many conservation programs that are available. Producers must implement a conservation plan that addresses soil, water, and related resources, water quality, wetlands, and wildlife habitat. The statute provides broad discretion in designing CFO pilots, and provides the opportunity to tap local agricultural initiatives and innovations for improving environmental quality.

We envision CFO as an opportunity to test the feasibility of innovative program delivery processes and innovative solutions to environmental concerns. We look to the locally-led effort to provide the ideas for innovative pilots. The innovations tested through the CFO may well be the basis for changes in statutory authorities for conservation programs into the 21st century. In fiscal year 1997, pilots will be determined through a Request For Proposal in the Federal Register. The fiscal year 1997 funding is $2.0 million. For fiscal year 1998, we are requesting authority to use $15 million in CCC program funds.

Conclusion

In his opening message in *America's Private Land, A Geography of Hope,* Secretary Glickman wrote: "In my view, our next great environmental goal is conserving our private land. To achieve this goal, we must accept stewardship on private land as a shared responsibility between public and private interests. The public funds we spend for private land conservation is one of our government's wisest investments, achieving multiple conservation benefits from modest expenditures on research, technical and financial assistance, and targeted land retirement."

As a Nation, we should continue to make wise investments in research, which underpins every form of assistance we provide to the owners and managers of private land. The 1996 farm bill also provided for significant investment in financial assistance through such new programs as the Environmental Quality Incentives Program, Wildlife Habitat Incentives Program, Farmland Protection Program, and Flood-risk Reduction Program. Targeted land retirement was also provided by the reauthorization of the Conservation Reserve Program and the Wetlands Reserve Program. Remaining to be addressed for fiscal year 1998, however, is funding for technical assistance, a primary objective of the budget proposal I've outlined.

The innovative programs in the 1996 farm bill and the financial assistance levels established for these programs offer the opportunity between now and the year 2002, when the farm bill expires, to not only maintain many of the important conservation gains achieved by our Nation's farmers and ranchers over the past 12 years but to add significantly to those gains over the life of the new farm bill. We can continue to reduce soil erosion over and above the substantial gains made under the sodbuster and conservation compliance policies and the Conservation Reserve Program. We can begin to help farmers and ranchers address water conservation and nonpoint-source water quality

management problems on a scale heretofore not possible. Wildlife habitat enhancement, for the first time, has become an explicit goal of several national agricultural conservation programs. Likewise, air quality is recognized as a pressing conservation problem requiring attention in certain areas of the country.

But these policy and financial commitments become moot unless the Department of Agriculture and NRCS, its lead conservation agency, have sufficient resources to deliver the technical assistance that farmers and ranchers time and again say they need to take advantage of the conservation opportunities now confronting them. Our partners in state and local governments and the private sector, responding to widespread public support for environmental protection efforts, have increased their financial commitments to conservation on private land in recent years. At the same time, they look to the federal government for a continuing commitment to technical assistance for private land and private landowners, not the diminishing commitment in real dollars that has been the trend over the past two decades. It is this technical assistance that, when coupled with the contributions of our many public and private-sector partners, will allow us to realize the full promise of the 1996 farm bill.

We are all in this together. The task is enormous and complex. But we now have the opportunity in fiscal year 1998 to begin to create the conservation legacy that Secretary Glickman suggested in *A Geography of Hope* will likely determine our Nation's economic and environmental well-being for years to come.

That concludes my statement. I am looking forward to working with you in the months ahead to review the proposal and work together to maximize service to our customers and help them be good stewards of the land. I will take any questions that members of the committee might have.